Credit facility to small scale industries

†3016. SHRI JANESHWAR MISHRA: Will the Minister of SMALL SCALE INDUSTRIES be pleased to state:

(a) the steps being taken by Government to ensure that the items reserved for the small scale industries are manufactured only in the small scale industries;

(b) whether it is a fact that nationalised banks dilly-dally in disbursing loans to the small scale industries as a result of which they have to face great difficulties; and

(c) if so, the details of scheme of Government to remove these impediments and to provide credit facility to the small scale industries?

THE MINISTER OF SMALL SCALE INDUSTRIES (SHRI MAHAVIR PRASAD): (a)Violation of the provisions relating to reservation of items for exclusive manufacturing in small scaie industry (SSI) sector under the Industries (Development & Regulation) Act 1951 (I (D&R) Act, 1951)) is punishable with penalty under sections 24 and 24A. On receiving complaint/ intimation and after ascertaining the facts of violation of the statutory provision relating to reservation, Government initiatives action in accordance with these provisions of the I (D&R) Act, 1951.

(b) and (c) To facilitate timely flow of adequate credit to the SSI units, various measures have been aken by the Government and the Reserve Bank of India from time to time. These, inter alia, include fixing time frame for disposal of loan applications, enhancement in composite loan limit from Rs. 50 lakh to Rs. 1 crore, raising of project cost limit under National Equity Fund Scheme from Rs. 25 lakh to Rs. 50 lakh, enhancement of eligible loan limit under Credit Guarantee Scheme from Rs. 10 lakh to SSI units having good track record, setting up of Small and Medium Enterprises (SMEs) fun of Rs. 10,000 crore, enhancement of credit limit under Laghu Udhyami Credit Card (LUCC) from Rs. 2 lakh to Rs. 10 lakh based on satisfactory track record, etc. Further, in August 2005 the Government has announced a 'Policy Package for Stepping up Credit to Small and Medium Enterprises' with the main objective of doubling the flow of credit to the sector within a period of five years, beginning 2005-06.

---

†Original notice of the question was received in Hindi.